

**BEFORE THE
UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C.**

PUBLIC DOCUMENT

CERTAIN STEEL PRODUCTS

Carbon and Alloy Flat Products - Slab

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**COMMENTS
OF
AMERICAN IRON & ALLOYS CORPORATION**

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I. The Iron Products Imported By American Should Be Excluded From Relief Because, Regardless of The HTS Classification of Such Products, The Products Are Not Steel Products. These Products Could Easily Be Excluded From Relief Without Excluding Any Steel Products.¹

American Iron & Alloys Corporation (“American”) imports Versa-Bar, a gray and ductile iron, from its parent company, Tupy Fundicoes, Ltd. in Brazil. As a semi-finished iron containing more than .25 percent of carbon, Versa-Bar enters the United States under HTS code 7207.20.00. Specifically, the Versa-Bar products subject to this Request for Exclusion are of a square and rectangular cross-section, and enter the United States under HTS number 7207.20.0045. Products classified under the HTS number 7207.20.0045 are subject to this investigation as “Carbon and Alloy Flat Products.”² While classified under HTS number 7207.20.0045, Versa-Bar products are *iron*, as opposed to steel. There are distinct chemical differences between Versa-Bar and steel products. In short, Versa-Bar bears no resemblance whatsoever to the semi-finished carbon and alloy steel flat products investigated by the International Trade Commission in this investigation. Accordingly, Versa-Bar should be excluded from relief.

Although Versa-Bar is an iron product that is not subject to the Section 201 investigation, an explicit exemption from Section 201 relief should be made for products containing more than

¹ Introductory notes to Chapter 72 of the Harmonized Tariff Schedule define steel as “{f}errous materials other than those of heading 7203 which (with the exception of certain types produced in the form of castings) are usefully malleable and which contain by weight 2 percent or less of carbon.” Versa-Bar is not usefully malleable and contains at least 2.9 percent carbon. Accordingly, it is the position of American that Versa-Bar is not “steel,” and, therefore, not subject to the instant investigation. Out of abundance of caution, however, American filed a Request For Exclusion in the event that all products under HTS number 7207.20.0045 are deemed to be part of the investigation.

² Letter from Ambassador Robert B. Zoellick, United States Trade Representative, to Steven Koplman, International Trade Commission Chairman, dated June 22, 2001, requesting the institution of this investigation, Annex I.

2.0% carbon in order to avoid any confusion when such products are imported under a HTS number under which products are otherwise subject to import restrictions. The exclusion sought by Versa-Bar would not exclude any steel products from relief.

Versa-Bar is a continuous cast gray and ductile iron with a carbon content ranging from 2.9 percent to 3.7 percent.³ It enters the United States under HTS number 7207.20.0045. American has requested the exclusion of Versa-Bar from Section 201 relief because Versa-Bar is not steel. It merely enters the United States under an HTS classification that includes semi-finished steel products. Versa-Bar is fundamentally different from any of the steel products subject to this investigation. Steel products, as a general matter, contain 2.0 percent or less of carbon and are usefully malleable.⁴ Versa-Bar, however, contains 2.9 percent to 3.7 percent carbon and is not malleable. The United States Customs Service has included Versa-Bar under an HTS classification that includes semi-finished steel slabs, but this classification is over-inclusive. It includes both semi-finished non-alloy steel products and semi-finished iron products, without regard to the core differences between the two products.

II. No Domestic Producer Has Opposed American's Request For An Exclusion

Semi-finished iron products such as Versa-Bar are not produced by any of the numerous domestic steel producers that have requested relief or entered appearances in this investigation. Versa-Bar can be distinguished in both its chemical composition and production process from the steel products that have been discussed in written submissions and oral testimony before the

³ Complete product specifications of Versa-Bar were attached as Exhibit 1 to American's November 14, 2001 Request for Exclusion.

⁴ Harmonized Tariff Schedule of the United States, Introductory note (d) to Chapter 72, Iron and Steel.

Commission. No domestic steel producer has opposed the exclusion of Versa-Bar from Section 201 relief.

As stated above, despite the clear distinction between Versa-Bar and the steel products that were investigated by the ITC, an explicit exemption is necessary in order to avoid confusion at the time of importation. While semi-finished iron and steel products are both included under HTS Heading 7207, an exclusion could easily be crafted that would not detract from the any relief imposed against steel products. All semi-finished products under HTS Heading 7207 containing more than 2.0 percent carbon should be excluded from relief. Such an exclusion would not exclude any steel products. It would only exclude iron products classified under the same HTS Heading as semi-finished steel products.

III. CONCLUSION

For the reasons stated herein, all products imported under HTS heading 7207 that contain more than 2.0 percent carbon should be excluded from Section 201 relief.

Respectfully submitted,



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